



**United States Department of Justice  
United States Attorney's Office  
District of Minnesota**

**Rachel K. Paulose, United States Attorney**

David Anderson, Public Affairs Specialist  
(612) 664-5684; cell: (612) 730-2251

# **News Release**

FOR IMMEDIATE RELEASE  
Thursday, Nov. 1, 2007

## **Minnesota tax fugitive is captured in Florida**

Agents from the United States Marshals Service today captured a Minnesota fugitive in Orlando, Fla., who has been on the run since August 2006 on charges of federal tax evasion.

Robert B. Beale, the founder and chief executive officer of the Comtrol Corp. of Maple Grove, was apprehended and appeared today before a Florida judge, and is expected to be extradited to Minnesota.

“The cooperative efforts of the U.S. Attorney’s Office, U.S. Marshals and our special agents to locate Mr. Beale have paid off,” said Francine L. Evans, the IRS Criminal Investigation Special Agent in Charge. “He is now appropriately in custody.”

He was indicted in January 2006 on one count of conspiracy to defraud the U.S. and five counts of tax evasion for allegedly failing to pay personal income tax on more than \$5.6 million. Beale was arrested Jan. 11, 2006, and made an initial appearance in U.S. District Court. Following the hearing, Beale was released on the condition that he surrender his passport and not convey any of his real property.

A warrant was issued for the arrest of Beale, 64, North Oaks, after he failed to appear for the start of his federal tax evasion trial on Aug. 14, 2006.

Beale, with the assistance of Lee Stagni, the former president of Comtrol, allegedly engaged in a concerted effort to conceal and disguise Beale’s salary from the IRS and from the Minnesota Department of Revenue. Comtrol is a computer parts firm. Stagni was convicted in September 2006.

According to the indictment, prior to July 2000, Beale was paid as an employee of Comtrol using an automated payroll system, with standard withholdings for state and federal taxes. In July 2000, although his duties at Comtrol had not changed, Beale allegedly directed the company’s payroll department to change his employment designation from “employee” to “consultant.”

The indictment stated that Beale allegedly began submitting invoices to Comtrol for his

salary under the name of the Chayil Corp., a shell corporation which served no purpose other than as a pass-through entity for concealing Beale's income from the IRS. From 2000 to September 2004, Comtrol failed to report to the IRS more than \$5.6 million in income paid to Beale. The indictment also stated that Beale never personally reported the income, and never filed a tax return or paid any income taxes on the money.

If convicted, Beale faces a potential maximum penalty of five years in prison on each conspiracy count. All sentences are determined by a federal district court judge. In December 2006, his indictment was amended to include a count of failure to appear, which holds a potential maximum penalty of five years in prison.

This case is the result of an investigation by the Internal Revenue Service-Criminal Investigations Division and the U.S. Marshals Service, and is being prosecuted by Assistant U.S. Attorney Tim Rank.

–30–

An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.